

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Replacement Rates - Supplemental Retirement

FROM:		EXTENSION		NO.
A/ADD/Pers/EBS				DATE
				12 February 1986
TO: (Officer designation, room number, and building)		DATE		OFFICER'S INITIALS
		RECEIVED	FORWARDED	
1.	DD/Pers/EBS			<p>Bob,</p> <p>Attached are charts which reflect replacement rates for the supplemental retirement plan being worked out by Senate/House conferees. We have also attached the briefing book used on the Hill that show the effects of the Ford/Oakar, Roth/Stevens original proposals and our 1.3% accrual formula for CIARDS.</p> <p>Note the compromise plan provides over a 9% greater replacement rate than the 1.3% version for CIARDS-types and comes very close to the original Ford/Oakar plan. For regular Civil Service, the total replacement rates exceed the original Ford/Oakar plan at time of retirement--the change in the Thrift Plan formula accounts for this. The trade-off is a reduction in COLA protection.</p> <p>We are, of course, available to discuss if you so desire.</p> <div style="border: 1px solid black; width: 150px; height: 50px; margin: 10px auto;"></div> <p>cc: DD/Pers</p>
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14 FEB 1976

BASIC PROVISIONS

- ° Age 50 Retirement or 25 years service at any age
- ° 1.7% Accrual (1st 20 years); 1% (after 20) X years of service X high 3
- ° Supplemental annuity from Retirement to age 62
- ° Thrift Plan - Maximum 10% employee contribution: government contributes 1% even if no employee contributions, then matches in full up to 3% of any employee contribution and one half of next 2% of employee contributions (Max gov't contribution - 5%)
- ° Reduced COLA

CIARDS EMPLOYEES RETIRING AT AGE 50 WITH 25 YEARS OF SERVICEUNDER SPECIAL CATEGORY PROVISIONS

FINAL SALARY	<u>\$30,000</u>	<u>\$45,000</u>	<u>\$60,000</u>	<u>\$75,000</u>
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REPLACEMENT RATE AT 50

Pension Plan	37%	37%	37%	37%
Supplement	14%	10%	8%	6%
Gov't 1% to Thrift Plan	1%	1%	1%	1%
Total	52%	48%	46%	44%
Thrift Plan	9%	9%	9%	9%
Total*	61%	57%	55%	53%
Current CIARDS	47%	47%	47%	47%

REPLACEMENT RATE AT 62

Pension Plan	33%	33%	33%	33%
OASDI	15%	11%	9%	7%
Thrift Plan	10%	10%	10%	10%
Total	58%	54%	52%	50%

*Employee Contribution to Achieve Total:

Social Security	5.7%
Basic Pension Plan	1.8%
Thrift Plan	5.0%
TOTAL	12.5%

14 FEB 1988

BASIC PROVISIONS

- ° Age 55 Retirement
- ° 1% accrual X years of service X high 3
- ° Supplemental Annuity from retirement to age 62
- ° Thrift Plan - Maximum 10% employee contribution: government contributes 1% even if no employee contribution, then matches in full up to 3% of any employee contributions and one half of next 2% of employee contributions (Max gov't contribution - 5%)
- ° Reduced COLA

AGENCY CSRS EMPLOYEES AGE 55 WITH 30 YEARS SERVICE

FINAL SALARY	<u>\$30,000</u>	<u>\$45,000</u>	<u>\$60,000</u>	<u>\$75,000</u>
REPLACEMENT RATE AT 55				
Pension	28%	28%	28%	28%
Supplement	16%	12%	9%	8%
Gov't 1% to Thrift Plan	1.6%	1.6%	1.6%	1.6%
Total	45.6%	41.6%	38.6%	37.6%
Thrift Plan	14.4%	14.4%	14.4%	14.4%
Total *	60%	56%	53%	52%
Current CSRS	53%	53%	53%	53%
REPLACEMENT RATE AT 62				
Pension	21%	21%	21%	21%
OASDI	17%	13%	10%	8%
Thrift Plan	16%	16%	16%	16%
Total	54%	50%	47%	45%

- * Employee Contribution to Achieve Total:
 - Social Security 5.7%
 - Basic Pension Plan 1.3%
 - Thrift Plan 5.0%
 - TOTAL 12.0%